

COMMONWEALTH OF KENTUCKY  
BEFORE THE ENERGY REGULATORY COMMISSION

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In the Matter of:

|                              |                 |
|------------------------------|-----------------|
| THE NOTICE OF PURCHASED GAS) |                 |
| ADJUSTMENT FILING OF )       | CASE NO. 7341-C |
| BELFRY GAS, INC. )           |                 |

O R D E R

On July 19, 1979, the Commission issued its Final Order in Case No. 7341 approving certain adjustments in rates and providing under certain conditions for the further adjustment of such rates when the wholesale cost of gas is increased or decreased.

On December 13, 1979, Belfry Gas, Inc., the Applicant, notified the Commission that its supplier, Columbia Gas Transmission Corporation (Transmission), has filed with the Federal Energy Regulatory Commission (FERC), increased rates to be effective January 1, 1980.

On November 30, 1979, at Docket No. RP73-65, Transmission tendered for filing proposed changes in its FERC Gas Tariff, Original Volume No. 1, to become effective January 1, 1980.

The changes were filed to reflect:

(1) A Purchased Gas Cost Adjustment filed in compliance with Section 282.602(a) of Commission Order No. 49, Final Rule, issued September 28, 1979, at Docket No. RM79-14. Such Purchased Gas Cost Adjustment provides for the recovery of \$61,793,244 for the months of January and February, 1980; and

(2) Projected Incremental Pricing Surcharges in the amount of \$181,488 and \$151,378 for the months of January and February, 1980 respectively, applicable to certain of its Buyers who supply industrial boiler fuel facilities.

The estimated annual increase in revenue as a result of Columbia's filing of December 6, 1979, is \$32,025 or 30¢ per MCF.

The Applicant, in compliance with its tariff and previous Orders of this Commission, submitted with its Notice certain information including verification of the rates and charges of its supplier.

After reviewing this evidence of record and being advised, the Commission is of the opinion and finds:

(1) That the Energy Regulatory Commission is being asked to approve a price increase already approved by the Federal Energy Regulatory Commission when it granted the Applicant's supplier, Columbia Gas Transmission Corporation, a wholesale gas cost increase. We are of the opinion that failure to allow this increase to be passed through to its retail consumers on a timely basis would be unfair and unjust to the Company and would ultimately result in higher rates to their consumers in any event. The Commission has (in writing) indicated its opposition to the procedures and regulations used by the Federal agency in approving these supplier increases since 1975. We continue to be opposed and are continuing to seek alternative ways to overcome the regulatory inequities which have such a direct impact on the retail consumers.

(2) That the Applicant's supplier, Transmission, has filed for increased rates to become effective January 1, 1980.

(3) That the application filed December 13, 1979, reflected Transmission's rates as filed with the FERC on November 30, 1979, at Docket No. RP73-65, to be effective January 1, 1980.

(4) That the magnitude of this filing exposes the Applicant to substantial under-recovery of its gas cost if the rates are not implemented in a timely manner.

(5) That the Commission should waive its policy of requiring evidence of FERC acceptance in this case and allow the Applicant to place into effect subject to refund the rates set out in Appendix "A".

(6) That the Applicant's adjustment in rates under the Purchased Gas Adjustment provisions approved by the Commission in its Order in Case No. 7341, dated July 19, 1979, is fair, just and reasonable and in the public interest and should be effective with gas supplied on and after the date the increased cost of wholesale gas becomes effective.

IT IS THEREFORE ORDERED that the Purchased Gas Adjustment sought by the Applicant as set out in Appendix "A" attached hereto and made a part hereof, be and the same, is hereby approved to be effective subject to refund with gas supplied on and after the date the increased cost of wholesale gas becomes effective.

IT IS FURTHER ORDERED that for the purpose of the future application of the Purchased Gas Adjustment Clause of Applicant the Base Rate for purchased gas shall be:

|                                       | <u>Demand</u> | <u>Commodity</u> |
|---------------------------------------|---------------|------------------|
| Columbia Gas Transmission Corporation | -             | \$2.5646         |

IT IS FURTHER ORDERED that Belfry Gas, Inc. shall maintain its records in such manner as will enable it, or the Commission, or any of its customers, to determine the amounts to be refunded and to whom due in the event a refund is ordered by the Commission.

IT IS FURTHER ORDERED that within thirty (30) days after the date of this Order, Applicant shall file with this Commission its revised tariff sheets setting out the rates approved herein.

IT IS FURTHER ORDERED that the information furnished this Commission by Applicant on December 19, 1979, constitutes full compliance with the Commission's requirements and Order in Case No. 7341, and any other information ordinarily required to be filed under the Commission's regulations is hereby waived.

Done at Frankfort, Kentucky, this 7th day of January, 1980.

ENERGY REGULATORY COMMISSION

  
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For the Commission

ATTEST:

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Secretary

APPENDIX "A"

APPENDIX TO AN ORDER OF THE ENERGY REGULATORY  
COMMISSION IN CASE NO. 7341-C DATED JANUARY 7, 1980.

The following rates are prescribed for the customers in the area served by Belfry Gas, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the date of this Order.

RATES: Monthly

|          |                                 |                      |
|----------|---------------------------------|----------------------|
| First    | 1,000 cu. ft. per month         | \$ 6.15 Minimum Bill |
| All Over | 1,000 cu. ft. per 1,000 cu. ft. | \$ 3.64              |